

Panel discussion

Catching up and economic development

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Issues for the debate

Economic development is associated to a catch-up process interpreted in a broad way, because it involves the accumulation of advanced capabilities, the creation of frontier technologies and organizational practices and the development of advanced economic institutions. However, this catching up process does not imply the replication of capabilities, specialization, technologies, products and process of the advanced countries. Most of the time catching up in economic development is associated to unique trajectories of growth and innovation, and to the mastery of a wide range of productive techniques, sophisticated product designs, and production procedures that are introduced in specific national, local or sectoral environments. Thus each developing country that “catches up” is involved in a specific process of learning and capability accumulation that creates its own path to development and innovation.

In this frame, local firms are the central actors of innovation, development and catching up. But in addition to firms, innovation systems of various types affect the trajectories of catching up and development in various ways. One may think of government policy, public research organizations, financial systems, education and universities. And the specific technological and sectoral environment in which catching up take place may impress various directions of development.

The panel will discuss the following questions:

- In addition to learning and capabilities of domestic firms, which are the key essential driving forces of catching up?
- How much the trajectory of development and catch up of a country is affected by the specificity of the national innovation system, the local production clusters or the sectoral systems? And is the catching up process increasingly affected by being able to enter into the division of labor in international global value chains?
- Is catching up now easier or more difficult than catching up years ago?
- Is catching up to a large extent driven by large established local companies or by new local firms?
- Is the accumulation of technological, scientific and engineering capabilities by a catching up country easier or more difficult than the development of advanced organizational and managerial structure and new industrial setting?
- What is the role of two different institutional structures: one that focuses on IPR, competition rules, fiscal and monetary policy and basic education vs the one that is centered around active government policy, financial systems, universities and higher education, public research organizations?